



March 17, 2008

Investment Policy Committee
California Public Employees' Retirement System
Lincoln Plaza East
400 Q Street
Sacramento, CA 95814

Re: Revision of the Policy on the Responsible Contractor Program

Dear Members of the Investment Policy Committee:

Pension Consulting Alliance, Inc. ("PCA") has been asked to review the revised Statement of Investment Policy for the Responsible Contractor Program ("RCP") dated March 17, 2008. These revisions include the addition of the Responsible Contractor Worksheet.

CalPERS has a long standing reputation for supporting and encouraging fair wages and benefits for workers. PCA believes that the proposed changes to the RCP aim to solicit detailed information from contractors and subcontractors regarding wages and benefits that would be provided to workers. These proposed changes provide more transparency in the RCP process.

PCA recommends that the Investment Committee approve the revisions to the policy for the Responsible Contractor Program.

Allan Emkin
Managing Director

Judy Chambers
Managing Director